

Minutes
CHINO BASIN WATERMASTER
ADVISORY COMMITTEE MEETING

July 23, 2009

The Advisory Committee meeting was held at the offices of the Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga CA, on July 23, 2009 at 9:00 a.m.

ADVISORY COMMITTEE MEMBERS PRESENT

Appropriative Pool

Gene Koopman, Chair

Robert DeLoach

Mark Kinsey

Mohamed El Amamy

Dave Crosley

Ron Craig

Raul Garibay

Charles Moorrees

Robert Young

Mike McGraw

Agricultural Pool

Bob Feenstra

Jennifer Novak

Jeff Pierson

Nathan Mackamul

Pete Hall

Non-Agricultural Pool

Bob Bowcock

David Penrice

Milk Producers Council

Cucamonga Valley Water District

Monte Vista Water District

City of Ontario

City of Chino

City of Chino Hills

City of Pomona

San Antonio Water Company

Fontana Union Water Company

Fontana Water Company

Ag Pool - Dairy

State of California Dept. of Justice, CIM

Ag Pool – Crops

State of California, CIW

State of California, CIM

Vulcan Materials Company (Calmat Division)

Aqua Capital Management

Watermaster Board Members Present

Michael Camacho

Inland Empire Utilities Agency

Watermaster Staff Present

Kenneth R. Manning

Sheri Rojo

Ben Pak

Danielle Maurizio

Sherri Lynne Molino

Chief Executive Officer

CFO/Asst. General Manager

Senior Project Engineer

Senior Engineer

Recording Secretary

Watermaster Consultants Present

Michael Fife

Mark Wildermuth

Brownstein, Hyatt, Farber & Schreck

Wildermuth Environmental, Inc.

Others Present

Marty Zvirbulis

Sandra Rose

Eunice Ulloa

Steven Lee

Marty Zvirbulis

Terry Catlin

Martha Davis

Jose Swift

Cucamonga Valley Water District

Monte Vista Water District

Chino Basin Water Conservation District

Reid & Hellyer

Cucamonga Valley Water District

Inland Empire Utilities Agency

Inland Empire Utilities Agency

Fontana Water Company

Tom Crowley
Mike Maestas
Tim Min Mack
Jack Safely
Ryan Shaw

West Valley Water District
City of Chino Hills
Ontario/CDA
Western Municipal Water District
Inland Empire Utilities Agency

Chair Koopman called the Advisory Committee meeting to order at 9:00 a.m.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Advisory Committee Meeting on June 25, 2009

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2009
2. Watermaster Visa Check Detail
3. Combining Schedule for the Period July 1, 2008 through May 31, 2009
4. Treasurer's Report of Financial Affairs for the Period May 1, 2009 through May 31, 2009
5. Budget vs. Actual July 2008 through May 2009

C. INTERVENTION INTO THE AGRICULTURAL POOL

1. Intervention into the Agricultural Pool from Guillermo Hurtado through the Well Used by Alfredo Jara's Mountain Green Nursery

D. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 3,500 acre-feet of water from the City of Pomona. This purchase is made first from Pomona's net underproduction, if any, in Fiscal Year 2008-09, with any remainder to be recaptured from storage. Date of application: May 11, 2009
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company has agreed to purchase from The Nicholson Trust annual production right in the amount of 5.619 acre-feet to satisfy a portion of the company's anticipated Chino Basin replenishment obligation for Fiscal Year 2008-09. Date of application: May 21, 2009
3. **Consider Approval for Notice of Sale or Transfer** – On June 3, 2009, Watermaster received Form 5, "Application to Transfer Annual Production Right or Safe Yield," with CalMat Company/Vulcan Materials Company as transferor and Aqua Capital Management LP as transferee in the amount of 317.844 acre-feet annual right, all water in its annual account will be transferred as well (the transfer does not include CalMat's water in storage as of June 30, 2008 of 315.637 acre-feet). Date of application: June 1, 2009
4. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 3,400 acre-feet of water from the Marygold Mutual Water Company. Water will purchase the water at \$295.00 per acre-foot, which is the MWD replenishment rate (not including IEUA and OCWD fees). The transfer will be made from Marygold Mutual Water Company's water in storage. This transfer will solely offset Fontana Water Company's current (Assessment Year 2008-2009)

Motion by DeLoach, second by Garibay, and by unanimous vote

Moved to approve Consent Calendar A through C, as presented

II. BUSINESS ITEM

A. WATERMASTER AUCTION

Mr. Manning stated in furtherance of the Watermaster auction process, we will retain the services of a professional auctioneer; FTI/Harold Lea has been the chosen facilitator for that process and staff is seeking a motion to retain that firm. Mr. Manning stated four firms were

considered for professional auction services and after interviews with each, it was decided that FTI/Harold Lea was the best fit for our needs. Mr. Manning stated the Appropriative and Agricultural Pools moved to approve this firm and the Non-Agricultural Pool abstained from a motion. It is staff's recommendation to the Advisory Committee to retain FTI/Harold Lea. Mr. Bowcock offered comment on why the Non-Agricultural Pool abstained from the motion.

Motion by DeLoach, second by Kinsey, and by majority vote – Non-Ag abstained
Moved to approve the retention of FTI/Harold Lea to provide auction services, as presented

B. BUDGET TRANSFER

Mr. Manning stated staff works with our consultants to come up with the best numbers for the budget; however, there are times when budget transfers need to take place. Ms. Rojo noted staff gets together frequently with Wildermuth Environmental staff to review budget and project progress. Ms. Rojo stated Watermaster staff reviews the budget items to track the progress that is being made on a monthly basis. Ms. Rojo discussed the need for shifting monies to accommodate funds needed in other categories. Ms. Rojo noted the staff report gives a breakdown on why staff is able to shift money away from some categories and why monies are needed to be added to other categories. Mr. Manning noted this item was approved by the Pools. A brief discussion regarding the costs for FTI/Harold Lea for the water auction and the cost effects from a possible judge change which could affect the adopted budget ensued.

Motion by Kinsey, second by Moorrees, and by unanimous vote
Moved to approve fiscal year 2008/2009 budget transfer T-09-07-01 for OBMP Condition Subsequent No. 7, Hydraulic Control Monitoring Program Water Quality Committee, and Storage Program to OBMP Data and CEO Requests, OBMP SOB Report, Groundwater Quality Monitoring Program, and Recharge Master Plan, as presented

C. REVISED FORMS

Mr. Manning stated this item has gone through the Watermaster process and has been approved at the Pool meetings. Mr. Manning gave a brief overview of the revised forms. Staff is recommending approval of the revised forms.

Motion by DeLoach, second by Garibay, and by unanimous vote
Moved to approve revised Rules & Regulations forms for Water Transfers and Land Use Conversions, as presented

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. June 29, 2009 Hearing

Counsel Fife stated at the last hearing Judge Wade announced he will be retiring in September and he will not be retaining our case which will be reassigned to another judge. Judge Wade noted, at that hearing, the reason he has continued with the scheduled hearings was to create a clear up-to-date picture for the next judge. Counsel Fife commented on the process that took place when looking for a replacement judge when Judge Gunn announced his retirement and that process might start again; however, that might be discussed at the next hearing. Counsel Fife stated the next hearing will be on August 11, 2009 and will cover Program Elements 7, 8, and 9. Counsel Fife stated the motion for approval was filed and that was distributed in draft form to the parties; more comments were received at the workshop. Counsel Fife noted the Agricultural Pool might file a pleading to clarify their position; however, their filing should not be an objection to the motion.

B. ENGINEERING REPORT

1. Recharge Master Plan Update
No comment was made regarding this item.
2. CEQA Modeling Assessment of Peace II
No comment was made regarding this item.

C. FINANCIAL REPORT

1. Year End Reporting
Ms. Rojo stated staff is still working on getting year-end production numbers and then the Water Activity Reports will go out shortly thereafter. Currently staff is working on Voluntary Agreements.

D. CEO/STAFF REPORT

1. Legislative Update
Mr. Manning stated the legislative leaders got together recently and came up with a tentative agreement on the budget which calls for \$15 billion dollars in cuts and several other concessions that are going to be going on within the process. Mr. Manning stated Prop 1A is expected to be enacted which will cause borrowing from cities, counties, and special districts; how that is going to take place is unknown at this time. Watermaster does not have any threat at this time against its monies that have been set aside for projects and/or activities. A brief discussion regarding revenue streams ensued.
2. Recharge Update
Mr. Manning stated the first draft for year-end numbers on captured recharge water is available on the back table for your review. Mr. Manning stated some of the numbers might be changed slightly as the numbers are audited. This has been an average year to be able to get water in and recharged; however, recycled water was able to be put into some of the basins and that number was at about 2,600 acre-feet this year. There has been no word from Metropolitan Water District regarding availability of replenishment water for the upcoming fiscal year.
3. Watermaster Policies
Mr. Manning stated this is an information only item and this item will be brought forward more in the upcoming months. Mr. Manning stated Watermaster operates by using a variety of different documents regarding procedures and operations; staff is attempting to consolidate those in an actual Policy Manual. This manual will come to you in two segments. First there will be those that are easily identifiable and non-controversial; after that, a series of additional policies that will have greater implications and may require discussion and/or input will be brought forward. This will then become a regular part of the agenda as this manual is refined.

Added Comment:

Mr. Manning announced the upcoming follow-up Strategic Planning Conference will be held on September 28 & 29, 2009, with a golf tournament on September 28th at Oak Quarry Golf Course in Riverside following a kick-off reception at the golf course and then an all day conference at the Etiwanda Gardens in Rancho Cucamonga on September 29th. Invitations will go out next week. Mr. Manning stated this will be a follow-up conference from the 2008 Lake Arrowhead Strategic Planning Conference on the Recharge Master Plan Update and encouraged all parties to attend this important conference.

E. INLAND EMPIRE UTILITIES AGENCY

1. IEUA's Drought Plan Update
Ms. Davis stated nothing has changed with the State Project Water Allocation and it still at 40%. Ms. Davis stated it will be quite some time before we all know if anything is going to shift in terms of the Drought Allocation Plan.
2. Recycled Water Status Report
No comment was made regarding this item.
3. Peace II CEQA Update
No comment was made regarding this item.
4. Water Conservation Programs Monthly Report
Ms. Davis commented on Metropolitan Water Districts' conservation credits and the rebate programs that were available. The next around with issuing rebates will be publicized as first come first receive to try and alleviate any further problems and when the money runs out it is gone. A discussion regarding rebate programs and conservation ensued.
5. Monthly Water Use Report
No comment was made regarding this item.
6. Recycled Water Newsletter
Ms. Davis stated there is such good news when it comes to Inland Empire Utilities Agency recycled water implementation and offered an update on what took place this last fiscal year regarding recycled water connections.
7. State and Federal Legislative Reports
No comment was made regarding this item.
8. Community Outreach/Public Relations Report
No comment was made regarding this item.

F. OTHER METROPOLITAN MEMBER AGENCY REPORTS

No comment was made regarding this item.

IV. INFORMATION

1. Newspaper Articles
No comment was made regarding this item.

V. COMMITTEE MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Pursuant to the Advisory Committee Rules & Regulations, a Confidential Session may be held during the Watermaster Advisory Committee meeting for the purpose of discussion and possible action.

No confidential session was held.

VIII. FUTURE MEETINGS

July 23, 2009	8:00 a.m.	IEUA DYY Meeting @ CBWM
July 23, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
July 23, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM
July 23, 2009	1:00 p.m.	Recharge Master Plan Workshop #3 @ CBWM

July 29, 2009	9:00 a.m.	GRCC Meeting @ CBWM
August 5, 2009	10:00 a.m.	Watermaster Workshop @ CBWM
August 11, 2009	9:30 a.m.	CBWM Hearing @ San Bernardino Court
August 13, 2009	8:00 a.m.	MZ1 Technical Committee Meeting @ CBWM
August 13, 2009	10:00 a.m.	Appropriative & Non-Agricultural Pool Meeting @ CBWM
August 18, 2009	9:00 a.m.	Agricultural Pool Meeting @ IEUA
August 18, 2009	8:00 a.m.	IEUA DYY Meeting @ CBWM
August 27, 2009	9:00 a.m.	Advisory Committee Meeting @ CBWM
August 27, 2009	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Advisory Committee meeting was dismissed by Chair Koopman at 9:30 a.m.

Secretary: _____

Minutes Approved: August 27, 2009